and "indirect" categories agricultural advances lor the purpose of computing performing of banks vis-a-vis the sub-target. While the classification of agricultural advances into "direct" and "indirect" will continue as hitherto, it has been decided that agricultural lending under the "indirect" category should not exceed one-fourth of the sub-target of 18 per cent i.e. 4.5 per of the net bank credit for the purpose of computing the target of 18 per cent Aii) Agricultural produce mar keting loans/advances upto Rs. 25000 instead of Rs. 5000 as at present to farmers against pledge/hypothecation of agricultural produce for a period not exceeding six months will be reckoned as direct agricultural ad vances, (iii) Short term advance to cultivators of traditional plantations (tea, coee, rubber and spices) upto 20 acres irrespective of whether they have their own processing facility or not were made eligible for inclusion under the Priority Sector.

(iv) Advances granted to SST units whose investment in plant and machinery does not exceed Rs. 60 lakhg (Rs. 75 lakhs in case of ancillary units and export oriented units) are to be classified under the priority sector.

(v) At least 40 per cent of the advances under the SSI segment within the priority sector is to be granted to cottage industries Khadi and Village Industries, artisans. Tiny Industries (with investment jn plant machinery upto Rs. 5 lakhs) or other SSI units availing credit limits upto Rs. 5 lakhs.

Equity holding by IFCI and IDBI

6896. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether any committee of ex-perts/commission has made any recomr mendations of the ideal extent of equities to be held by financial institutions like IDBI and IFCI;

(b) if so, what are the limits set up for holding equity by IFCI and IDBI;

(c) whether equity holdings should be reduced; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.-V. CHANDRASHEKARA MURTHY): (a) and(b) Industrial Development Bank of India (IDBI) has reported that finan cial institutions (FIs) such as IDBI and Industrial Finance Corporation of India Limited (IFCI) invest in equity of industrial units as a part of their normal projects financial operations. The magnitude of investment in equity of industrial units depends upon the means of finance of the project and the commercial assessment of the institutions .

(c) and (d) IDBI has reported that FIs periodically disinvest their equity holdings in industrial concerns with a view to recycling of funds depending up on the market conditions and other related factors.

Streamlining the functioning of Financial Institution!

6897. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government will consider streamlining the functioning of financial institutions;

(b) whether any study has been made of their holdings in private sector companies;

(c) whether it b a fact that equity hold ing? in large companies like ITC and TISCO have no Social or development objective; and

(d) the steps proposed for converting equity into liquidity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The basic role of financial institutions

(FIs) such as Industrial Development Bank of India (IDBI) and Industrial Finance Corporation of India Limited (IFCI) is to support industrial development in the country by providing medium and long term credit to the industry. Itt order *ot enable the FIs to play their role* more effecively in the changing economic and industrial scenario, large FIs such as IDBI and IFCI have been provided greater functional autonomy and operational flexibility. They have also been enabled to access the capital market through issuei of equity shares and enlarge their shareholders' base. This is also in line with the recommendations of the Narasimham Committee on the Financial System.

(b) and (c) IDBI has reported that FIs such as IDBI and IFCI invest in) equity of industrial units as part of their normal project financing operaitons. The magnitude of investment in equity of industrial units depends upon the means of finance of the project and the commercial assessment of the FIs.

'DB1 has further reported that FIs periodically disinvest their equity holdings in industrial concerns with a view-to recycling of funds depending upon the market conditions and other related factors.

बीमा, बैंकिं और वित्त-क्षेत्रों में उदारीकरण

6898. **श्री जनेश्वर मिश्र :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या अमरीका के वित्त मंत्री ने अपनी भारत यात्रा के दौरान बीमा, बैंकिंग और वित्त-क्षेत्रों में उदारीकरण के संबंध में कुछ ठोस मांगें रखी थीं;

(ख) क्या उन मांगों में इस बात पर जोर दिया गया था कि वित्तीय क्षेत्र में अमरीकी कम्पनियों को ज्यादा सुविधायें दी जायें :

(ग) क्या अमरीका के वित्त मंत्री ने भारत सरकार के समक्ष अपनी यह राय प्रकट की थी कि बीमा और बैंकिंग क्षेत्रों में सुधारों संबंधी मल्होत्रा समिति द्वारा की गई सिफारिशों से अमरीका सरकार संतुष्ट नहीं है ;

(घ) यदि हां, तो इस पर सरकार की प्रतिक्रिया क्या है?

वित्त मंत्रालय में राज्य मंत्री (श्री एम० वी० चन्द्रशेखर मूर्ति) : (क) से (घ) जी, नहीं । 17 अप्रैल से 20 अप्रैल, 1995 तक भारत में अमरीका के वित्त मंत्री की यात्रा के दौरान विचार-विमर्श का केन्द्र बिन्दु भारत और अमरीका के बीच आर्थिक और वाणिज्यिक संबंध को सुदृढ़ बनाने से संबद्ध का । बहुपक्षीय वित्त पोषण अभिकरणों के महत्व से संबंधित मामलों पर भी चर्चा की गई थी । वर्तमान नीतिगत पहलुओं तथा एक ऐसे वातावरण जो निवेशकों के लिये सहायक हो और देश में निवेशों को बढ़ाने के लिये सुसाध्य हो, की आवश्यकता महसूस की गई । विचार-विमर्श के दौरान अमरीकी निवेशों को, विशेष रूप से प्रमुख आधारभूत क्षेत्रों में बढ़ाने के व्यापक अवसरों पर चर्चा की गयी । विचार-विमर्श के परिप्रेक्ष्य में यह स्वीकार किया गया कि दोनों देश अमरीका से भारत में निजी निवेशों का और अधिक संवंधित करने के लिये एक-दूसरे के सानिध्य में कार्य करना जारी रखेंगे और द्विपक्षीय आर्थिक तथा वाणिज्यिक संबंधों को भी मजबूत बनायेंगे ।

Refinance by NABARD

6899. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleas ed to state:

(a) whether it is a fact that the refinance facility from the Naional Bank for Agriculture and Rural Development is not available to the Cooperative Banks for Public Distribution System;

(b) if so, the reasons for negligence of the public welfare programmes; and

(c) whether the National Bank for Agriculture and Rural Development would consider to provide the refinancing facility